

ANNOUNCEMENT OF FEDERAL FUNDING OPPORTUNITY

EXECUTIVE SUMMARY

- **Federal Agency Name:** Economic Development Administration (EDA), Department of Commerce
- **Funding Opportunity Title:** National Technical Assistance: Research and Evaluation
- **Announcement Type:** Federal Funding Opportunity (FFO)
- **Catalog of Federal Domestic Assistance (CFDA) Numbers:** 11.312 Economic Development – Research and Evaluation Program
- **Dates:** Proposals for funding pursuant to this competitive solicitation must be received by the EDA Headquarters representative listed in Section VII.B. below no later than August 18, 2005 at 4:00 p.m. (EDT). Proposals received after 4:00 p.m. (EDT) on August 18, 2005 will not be considered for funding. By September 2, 2005, EDA will notify proponents whether they will be given further funding consideration and will invite the successful proponent to submit a formal application for EDA investment assistance. The proponent invited by EDA to submit a formal application should expect to receive funding for its project by September 30, 2005; however, there is no guarantee that the proponent will receive funding.
- **Application Submission:** Proposals and applications must be submitted to the EDA Headquarters representative listed in Section VII.B. of this competitive solicitation.
- **Funding Opportunity Description:** Pursuant to its Research and Evaluation program, EDA is soliciting competitive proposals for the following project: Addressing Competitiveness and Innovation in Rural U.S. Regions – Developing and Analyzing Rural Clusters of Innovation and Linking Rural and Metropolitan Regions.

FULL ANNOUNCEMENT TEXT

I. Funding Opportunity Description

A. Program Objective

The mission of EDA is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Through its Research and Evaluation program, EDA will work towards fulfilling its mission by funding research and national technical assistance projects to promote competitiveness and innovation in urban and rural regions throughout the United States and its territories. By working in conjunction with its research partners, EDA will help states, local and tribal governments and community-based organizations to achieve their highest economic potential.

B. Program Priorities

EDA is soliciting proposals for the following project: Addressing Competitiveness and Innovation in Rural U.S. Regions and Developing – Analyzing Rural Clusters of Innovation and Linking Rural and Metropolitan Regions.

C. Program Authority

The statutory authority for the Research and Evaluation program is the Public Works and Economic Development Act of 1965, as amended ((Pub. L. 89-136, 42 U.S.C. 3121 *et seq.*), including the comprehensive amendments made by the Economic Development Administration Reauthorization Act of 2004 (Pub. L. 108-373) (PWEDA).

D. Research Projects

Pursuant to this competitive solicitation, EDA is soliciting proposals for the following research projects under its Research and Evaluation program (42 U.S.C. 3147):

- **Project Title**

Addressing Competitiveness and Innovation in Rural U.S. Regions – Developing and Analyzing Rural Clusters of Innovation and Linking Rural and Metropolitan Regions

- **Background Statement**

This project is a follow-up to the Competitiveness in Rural U.S. Regions: Learning and Research Agenda study prepared by Professor Michael E. Porter and the Institute of Strategy and Competitiveness at Harvard Business School in 2004. This study may be viewed and downloaded at EDA's Internet website: [http:// www.eda.gov](http://www.eda.gov).

- Research Projects

The proponent is expected to undertake both of the following two (2) comprehensive research projects and to produce the deliverables listed in the “Deliverables” section below. Due to the scope of the two (2) research projects, EDA encourages proposals from consortia of academic researchers, practitioners and/or consultants.

- *Research Project 1 – Further analysis of existing raw data*

EDA is interested in the further analysis of existing raw data as EDA believes that there are many open issues that existing data can address. For example, with respect to the linkages between rural and neighboring metropolitan regions, the existing data is sufficient to address the specific differences in cluster composition. Ideally, the proponent will act as the depository for the unsuppressed raw data on the county level. EDA contemplates providing a budget to allow the proponent to further develop, analyze and maintain the cluster mapping data.

- *Research Project 2 – Rural Clusters of Innovation Project*

The big gap in the understanding of rural regions is the lack of data on the quality of business environments. In conjunction with the research efforts described above, a key expectation is a major and comprehensive study on the quality of business environment similar to the Clusters of Innovation: Regional Foundations of U.S. Competitiveness (2001) project by Professor Michael E. Porter. The proponent’s study should encompass one rural region and include a regional implementation plan based on an inventory of regional assets produced during the study. The implementation segment of the project will ensure that the research undertaken will drive immediate action to develop a comprehensive economic development strategic plan for the region. Please refer to the above-mentioned Clusters of Innovation project as a model for this research project.

A team assembled by the proponent will conduct a survey and collect other data on the quality of the business environment and evolution of the region. The proponent will produce a “*Rural Clusters of Innovation*” report discussing the team’s learnings and key policy implications for the region studied. This report will provide EDA with a better understanding of business environments in rural regions.

In order to expand cluster initiatives throughout the country, the proponent will provide recommendations on how to package the experiences from the project into a framework with process guidelines that regions can use to pursue their own cluster studies and initiatives. This will (i) provide extensive

learning on current efforts, and (ii) provide regions the basis to systematically upgrade their region's cluster initiatives.

Lastly, the proponent will provide written recommendations for additional regions of study and evaluation.

The budget for this project will come from EDA as well as groups and/or stakeholders in the selected rural region. The proponent will identify and work with local partners willing to contribute a meaningful portion to the overall cost of the project. This contribution will be reflected in the budget section of the proposal.

○ Deliverables

The proponent is expected to produce the following deliverables based on the research projects discussed above:

- Create a data infrastructure to answer a number of open questions on rural economies that can only be answered with hard data;
- Present a complete understanding of the “real” prosperity of rural regions;
- Develop a strategy based on hard data to revisit current thinking on rural regions;
- Explore the linkages between rural and metropolitan regions in more detail than discussed in the Cluster of Innovation report;
- Undertake a detailed county-level analysis of raw data;
- Present a complete understanding of the specific differences in cluster composition;
- Develop and maintain cluster mapping data on rural communities;
- Produce a “*Rural Clusters of Innovation*” report discussing the team's learnings and key policy implications for the region studied;
- Develop a inventory of regional assets for the region studied that may be leveraged, as well as an implementation plan based on such inventory of regional assets;
- Develop a coalition of local/regional partners from the public, private and not for profit sectors that will make a meaningful contribution to the successful completion of the project;
- Provide recommendations on how to package the experiences from the project into a framework with process guidelines that regions can use to pursue their own cluster studies and initiatives;
- Provide recommendations for additional regions ready for similar study and evaluation; and
- Publish and disseminate results to regions across the country.

Completion Deadlines: Phased expectation dates with final project completion by April 15, 2006

II. Award Information

A. Funding Availability

EDA may use funds appropriated under Pub. L. 108-447 for the Research and Evaluation program. These funds are available until expended. EDA expects that the successful proposal for this project will require an EDA investment of between \$250,000 and \$500,000.

B. Type of Funding Instrument

The EDA award under this competitive solicitation will be in the form of a grant between EDA and the successful proponent.

III. Eligibility Information

A. Eligible Applicants & Eligible Recipients

Eligible applicants for, and eligible recipients of, EDA financial assistance under the Research and evaluation include: Economic Development Districts; Indian tribes; States; cities or other political subdivision of a State, including a special purpose unit of State or local government engaged in economic or infrastructure development activities, or a consortium of political subdivisions; institutions of higher education or consortia of institutions of higher education; public or private nonprofit organizations or associations acting in cooperation with officials of a political subdivision of a state; private individuals; and for-profit organizations. *See* Section 3(4) of PWEDA (42 U.S.C. 3122) and 13 C.F.R. 300.2.

B. Cost Sharing or Matching Requirement

In general, Section 204(a) of PWEDA (42 U.S.C. 3144) provides that the maximum EDA investment rate for a project must not exceed the sum of fifty (50) percent of the overall project cost, plus an additional thirty (30) percent of the overall project cost that is based on the “relative needs” of the region in which the project will be located. For projects under the Research and Evaluation program, the Assistant Secretary of Commerce for Economic Development (the “Assistant Secretary”) has the discretion to establish a maximum EDA investment rate of up to one hundred (100) percent of the overall project cost where the project merits and is not otherwise feasible without an increase to the EDA investment rate.

While cash contributions are preferred, the project’s matching funds requirement (*i.e.*, the non-Federal share) may consist of in-kind contributions, fairly evaluated by EDA, such as contributions of space, equipment and services. *See* Section 204(b) of PWEDA (42 U.S.C. 3144) and 13 C.F.R. 301.4(a). In-kind contributions must be eligible project costs and meet applicable Federal cost principles and uniform administrative requirements. *Id.* Additionally, the non-Federal share of the project’s costs must be committed to the project, available as needed and not conditioned or encumbered in any way that preclude its use consistent with the requirements of the EDA investment assistance. *See* 13 C.F.R. 316.17.

C. Funding Restrictions

1. Indirect Cost Rates

Regardless of any approved indirect cost rate applicable to the award, the maximum dollar amount of allocable indirect costs for which the Department of Commerce will reimburse the recipient shall be the lesser of (a) the line item amount for the Federal share of indirect costs contained in the approved budget of the award, or (b) the Federal share of the total allocable indirect costs of the award based on the indirect cost rate approved by an oversight or cognizant Federal agency and current at the time the cost was incurred, provided the rate is approved on or before the award end date. *See* 15 CFR §14.27; 15 CFR §24.22; Office of Management and Budget (OMB) Circulars A-21, "Cost Principles for Education Institutions," A-87, "Cost Principles for State, Local and Indian Tribal Governments," and A-122, "Cost Principles for Nonprofit Organizations."

2. Allowable Costs

Funds awarded cannot necessarily pay for all the costs that the recipient might incur in the course of carrying out the project. Allowable costs are determined by reference to the restrictions set forth in OMB Circulars A-21, A-87 and A-122. *See also* 15 C.F.R. 14.27; 15 C.F.R. 24.22. Generally, allowable costs include salaries, equipment, supplies, and training, so long as such costs are "necessary and reasonable" within the scope of the project.

IV. **Application and Submission Information**

A. Address to Request Application Package

Paper applications may be downloaded from EDA's Internet website at <http://www.eda.gov>. For agency contacts, addresses and phone numbers, see Section VII. below.

B. Content and Form of Application Process

To apply for EDA investment assistance pursuant to this competitive solicitation, an eligible applicant must first submit a proposal in accordance with the guidelines set forth below.

1. Proposal Format

Each proposal submitted must include:

- a. A description of how the researcher(s) intend(s) to carry out the scope of work (not to exceed 10 pages in length);
- b. A proposed budget and accompanying explanation, including a detailed explanation of the matching share (*i.e.*, non-Federal share) to be contributed by the proponent's local/regional partners;

- c. Resumes/qualifications of key staff (not to exceed two pages per individual, with an additional two pages allowed for a single summary description of all organizations/consultants named in the proposal); and
- d. A proposed schedule for completion of the project.

2. Submission Dates and Times

Proposals for funding pursuant to this competitive solicitation must be received by the EDA Headquarters representative listed in Section VII.B. below no later than August 18, 2005 at 4:00 p.m. (EDT). Proposals received after 4:00 p.m. (EDT) on August 18, 2005 will not be considered for funding. By September 2, 2005, EDA will notify proponents whether they will be given further funding consideration. The successful proponent will be invited to submit a formal application for EDA funding on Form ED-900A (OMB Control Number 0610-0094). The successful proponent should expect to receive funding for its project by September 30, 2005; however, there is no guarantee that the proponent will receive funding.

C. Intergovernmental Review

Proposals and applications under this program are not subject to Executive Order 12372, "Intergovernmental Review of Federal Programs."

D. Other Submission Requirements

None.

V. Application Review Information

A. Review Criteria and Selection Process

To apply for an award under this request, an eligible applicant must submit a proposal to EDA during the specified timeframe and in the format provided in Section IV above. Proposals that are not timely submitted or that do not meet all items required or that exceed the page limitations set forth in this competitive solicitation will be considered non-responsive and will not be considered by the review panel. Proposals that meet all of the technical requirements set forth in this competitive solicitation will be evaluated by a review panel comprised of at least three members, all of whom will be full-time Federal employees. *See* 13 C.F.R. 304.1(b), 304.2(a). The review panel will evaluate those proposals meeting the technical requirements of this competitive solicitation and will rate and rank them using the following criteria of approximate equal weight:

1. General evaluation criteria set forth in 13 C.F.R. 304.2;
2. Supplemental evaluation criteria (Investment Policy Guidelines) set forth in Section V.B. below; and the
3. Cost to the Federal Government.

The Assistant Secretary is the Selecting Official and will normally follow the recommendation of the review panel. However, the Assistant Secretary may not make any selection, or he may substitute one of the lower-rated proposals, if he determines that it better meets the overall objectives of PWEDA.

B. Supplemental Evaluation Criteria: Investment Policy Guidelines

EDA's mission is to lead the Federal economic development agenda by promoting innovation and competitiveness, preparing American regions for growth and success in the worldwide economy. Accordingly, all potential EDA investments will be analyzed using the following five Investment Policy Guidelines, which constitute supplemental evaluation criteria of approximate equal weight and which further define the general evaluation criteria provided at 13 C.F.R. 304.2:

1. ***Be market-based and results driven.*** An investment will capitalize on a region's competitive strengths and will positively move a regional economic indicator measured on EDA's Balanced Scorecard, such as: an increased number of higher-skill, higher-wage jobs; increased tax revenue; or increased private sector investment.
2. ***Have strong organizational leadership.*** An investment will have strong leadership, relevant project management experience, and a significant commitment of human resources talent to ensure a project's successful execution.
3. ***Advance productivity, innovation, and entrepreneurship.*** An investment will embrace the principles of entrepreneurship, enhance regional clusters, and leverage and link technology innovators and local universities to the private sector to create the conditions for greater productivity, innovation, and job creation.
4. ***Look beyond the immediate economic horizon, anticipate economic changes, and diversify the local and regional economy.*** An investment will be part of an overarching, long term comprehensive economic development strategy that enhances a region's success in achieving a rising standard of living by supporting existing industry clusters, developing emerging new clusters, or attracting new regional economic drivers.
5. ***Demonstrate a high degree of commitment by exhibiting:***
 - High levels of local government or non-profit matching funds and private sector leverage.
 - Clear and unified leadership and support by local elected officials.
 - Strong cooperation between the business sector, relevant regional partners and local, state and federal governments.

VI. Award Administration Information

A. Award Notices

EDA will invite successful proponents to submit Form ED-900A, Application for Federal Assistance (OMB Control Number 0610-0094). This invitation is not, however, a guarantee that

funding will be provided. Unsuccessful proponents will be notified by EDA that their proposals were not selected for funding.

B. Administrative and National Policy Requirements

Administrative and national policy requirements for all Department of Commerce awards are contained in the Department of Commerce Pre-Award Notification Requirements for Grants and Cooperative Agreements, published in the Federal Register on December 30, 2004 (69 FR 78389). This notice may be accessed by entering the Federal Register volumes and page numbers listed in the previous sentence at the following web site:

<http://gpoaccess.gov/fr/retrieve.html>.

C. Supplemental FFO

EDA's reauthorization legislation was signed into law on October 27, 2004, with amendments made to PWEDA through the Economic Development Administration Reauthorization Act of 2004 (Pub. L. 108-373). Since reauthorization, EDA is in the process of conducting a full scale review and revision of its regulations. When revised regulations are published, EDA may post a supplemental FFO at www.grants.gov and at www.eda.gov in order to provide applicants with updated information on the revised regulations.

D. Reporting

All recipients are required to submit financial and performance (technical) reports. All financial reports must be submitted in triplicate (one original and two copies) to the EDA Program Officer. Reports are due on a semi-annual schedule and must be submitted no later than 30 days following the end of the 6-month period(s) specified in the award. Final financial reports are due 90 days after the award expiration. *See* 13 C.F.R. 307.12.

VII. Agency Contacts

A. For Further Information

EDA's Internet website at <http://www.eda.gov> contains additional information on EDA and its programs. For the Research and Evaluation program, please contact W. Kent Lim at (202) 482-6225.

B. Addresses

Proposals submitted pursuant to this competitive solicitation may be:

1. E-mailed to: W. Kent Lim at klim1@eda.doc.gov;
2. Hand-delivered to: W. Kent Lim, Economic Development Administration, Room 1874, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230; or

3. Mailed to: W. Kent Lim, Economic Development Administration, Room 7015, U.S. Department of Commerce, 1401 Constitution Avenue, NW, Washington, DC 20230.

Proponents are encouraged to submit proposals by e-mail. EDA will not accept proposals submitted by facsimile. Please note that any correspondence sent by regular mail may be substantially delayed or suspended in delivery, since all regular mail sent to the Department of Commerce is subject to extensive security screening.

VIII. Other Information and Requirements

EDA regulations at 13 C.F.R. Chapter III are available on EDA's Internet website at <http://www.eda.gov>. Certain EDA, Department of Commerce and other proposal requirements are noted below:

- A. Projects are expected to be completed in a timely manner consistent with the nature of the project. The completion date is specified above.
- B. Awards may include a requirement that the successful applicant(s) conduct briefings and/or training workshops for individuals and organizations interested in the project results. The completion dates set forth above are only for completion of the project and submission of the written report. Any required briefings/workshops will take place no later than one year after submission of the final report. Locations and dates of the briefings/workshops are at EDA's sole discretion. Usually these consist of at least one briefing in Washington, DC, with the other briefings/workshops held in conjunction with one or more of EDA's regional conferences.
- C. Notwithstanding any other provision of law, no person is required to respond to, nor shall a person be subject to a penalty for failure to comply with a collection of information subject to the requirements of the Paperwork Reduction Act (PRA) unless that collection of information displays a currently valid Office of Management and Budget (OMB) control number. This notice involves a collection of information requirement subject to the provisions of the PRA and has been approved by OMB under Control Number 0610-0094. The Form ED-900A, Research and National Technical Assistance, which incorporates Forms SF-424A and SF-424B, are found in the EDA application kit approved under the aforementioned OMB control number.
- E. If an application is selected for funding, EDA has no obligation to provide any additional future funding in connection with an award. Renewal of an award to increase funding or extend the period of performance is at the sole discretion of EDA.
- F. EDA is committed to a policy of non-discrimination in the administration of all its programs.
- G. EDA will notify unsuccessful proponents in writing and unsuccessful proposals will be maintained for not more than three years from the date of receipt.
- H. The rulemaking requirements of 5 U.S.C. 553 are not applicable to this notice relating to public property, loans, grants, benefits or contracts (5 U.S.C. 553(a)(2)). Because notice and comment are not required under 5 U.S.C. 553, or any other law for this rule, the analytical requirements of the Regulatory Flexibility Act (5 U.S.C. 601) are

not applicable. Thus, a Regulatory Flexibility Analysis is not required and has not been prepared for this rule.

- I. It has been determined that this notice does not contain policies with Federalism implications as that term is defined in Executive Order 13132.